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# ARIZONA LABOR MARKET INFORMATION NEWSLETTER

**Vol. XIV No. 10**
**October 1990**

## Unemployment Rate

Seasonally Adjusted
August *

| | | |
|---|---|---|
| ARIZONA | – | 5.2% |
| Maricopa Co. | – | 4.2 |
| Pima Co. | – | 4.3 |
| United States | – | 5.6 |

## Consumer Price Index

U.S. – August 1990
Base = 1982-84

| | | |
|---|---|---|
| Wage Earner/Clerical Worker | – | 129.9 |
| % Chg. Year Ago | – | 5.4 |
| All Urban | – | 131.6 |
| % Chg. Year Ago | – | 5.6 |

Phoenix – 3rd Qtr 1990
Base = 1982-84

| | | |
|---|---|---|
| All Urban | – | 133.8 |
| % Chg. Year Ago | – | 5.4 |

Tucson – 3rd Qtr 1990
Base = 1982-84

| | | |
|---|---|---|
| All Urban | – | 131.3 |
| % Chg. Year Ago | – | 4.7 |

* Preliminary

## *Average Annual Pay*

### *Arizona, Metro Areas Still Coming Up a Few Cents Short*

**Inside This Issue**


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**Arizona Department of Economic Security**
**— Moving People Toward Self-Sufficiency**

# State, Metro Areas Lose Ground in Annual-Pay Race

Continuing a trend of the 1980s, average annual pay for Arizona workers covered by state and federal unemployment insurance (UI) programs fell further behind national averages in 1989, according to preliminary data released in August and September by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

Arizonans' average annual pay in 1989 rose 2.1 percent over the previous year, to $20,808, compared to a growth rate nationally of 3.2 percent and average annual pay of $22,567. The state's growth rate ranked 49 — only ahead of Montana and Wyoming — among all other states and Washington D.C. and

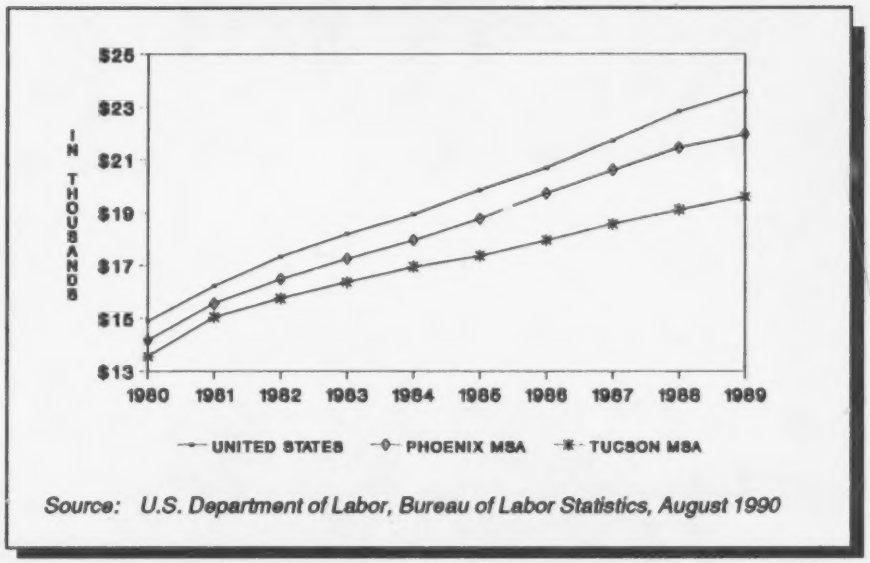
**Arizona Personal Income, p. 5**

was reflected in the fact the state fell three notches in rankings for average annual pay — from 24 to 27 — coming on top of a drop of three places in 1988 (Table 1).

Arizona's two metropolitan areas, meanwhile, did not fare much better than the state as a whole, underperforming the national average for 319 metro communities.[1] In 1989, Phoenicians' and Tucsonan's average annual pay rose 2.4 percent and 2.6 percent, respectively, over 1988 levels, compared to an average increase of 3.2 percent for all metropolitan areas. Average annual pay for Phoenix-area workers was $21,954 last year, while Tucson-area workers' pay was $19,596 and the national metropolitan-area average was $23,573.

In the past decade, Arizona's two major population centers — as well as the state as a whole — have fallen

**Figure 1. Metropolitan Area Average Annual Pay, U.S. MSA Average vs. Phoenix and Tucson MSA Averages**




*Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990*

further behind the national pay average, primarily because of the state's rapid service-sector growth (see *Arizona LMI Newsletter*, October 1989). Businesses in the service-producing sector — services; finance, insurance, and real estate (FIRE); transportation, communications, and public utilities (TCPU); trade; and government — tend to pay lower wages than those in the goods-producing sector — manufacturing, construction, and mining.

The Phoenix area, which trailed the national metro pay average by 5.2 percent in 1980, fell below by 7.4 percent in 1989. And the Tucson metro area's deviation below the national average has been even more dramatic, going from 9.9 percent in 1980 to 20.3 percent last year (Figure 1). This continued divergence in pay has been evident in the two metro areas' decline in national rankings, with the Phoenix area coming in 92 last year (down from 84 in '88 and 80 in '87), while the Tucson area was 198 in '89 (down from 194 in '88 and 188 in '87).

Focusing on specific industry data, as might be expected most of Arizona's major industry groups failed to keep pace with national group averages for average annual pay (Table 2). The state's mining, construction, retail trade, FIRE, services, and government sectors had smaller gains that nationally, while manufacturing, TCPU, and wholesale trade in Arizona outperformed the national rates. Spurred by bonuses, pay in the mining industry jumped 22.5 percent in 1988, but declined 5.2 percent last year due to the curtailment of bonuses, says an official with the Arizona Mining Association.

Looking at the country as a whole, as in the prior two years the District of Columbia had the highest level of annual average pay in 1989, $32,186. South Dakota had the lowest average annual pay with $15,810.

Washington D.C. also posted the largest percentage increase in average annual pay, with a gain of 6.1. Wyoming, with a 0.7 percent increase in average annual pay, showed the smallest change.

Average annual pay levels for states varied widely by sector and industry. Mining held true to its traditional role

**Table 1.** **Average Annual Pay for States and Washington D.C., 1988 and 89, and Rank by Percent Change, 1988-89, for All Covered Workers[1]**

| State | Average Annual Pay 1989[2] | 1988 | Percent Change[3] | Rank by Change |
|---|---|---|---|---|
| United States | $22,567 | $21,872 | 3.2% | |
| Washington D.C. | 32,106 | 30,253 | 6.1 | 1 |
| Alaska | 29,704 | 28,033 | 6.0 | 2 |
| Connecticut | 27,500 | 26,234 | 4.8 | 5 |
| New York | 27,303 | 26,347 | 3.6 | 19 |
| New Jersey | 26,780 | 25,748 | 4.0 | 12 |
| Massachusetts | 25,233 | 24,143 | 4.5 | 9 |
| California | 24,921 | 24,126 | 3.3 | 21 |
| Michigan[4] | 24,853 | 24,193 | 2.7 | 31 |
| Illinois | 24,211 | 23,608 | 2.6 | 34 |
| Maryland | 23,466 | 22,515 | 4.2 | 11 |
| Delaware | 23,268 | 21,977 | 5.9 | 3 |
| Pennsylvania | 22,312 | 21,485 | 3.8 | 17 |
| Minnesota | 22,155 | 21,481 | 3.1 | 22 |
| Ohio | 21,986 | 21,501 | 2.3 | 43 |
| Colorado | 21,940 | 21,472 | 2.2 | 47 |
| Virginia | 21,879 | 21,053 | 3.9 | 14 |
| Texas | 21,740 | 21,150 | 2.9 | 26 |
| Hawaii | 21,624 | 20,444 | 5.8 | 4 |
| Washington | 21,617 | 20,806 | 3.9 | 15 |
| New Hampshire | 21,551 | 20,749 | 3.9 | 13 |
| Nevada | 21,342 | 20,548 | 3.9 | 16 |
| Rhode Island | 21,128 | 20,206 | 4.6 | 7 |
| Georgia | 21,071 | 20,504 | 2.8 | 28 |
| Indiana | 20,931 | 20,437 | 2.4 | 39 |
| Missouri | 20,899 | 20,295 | 3.0 | 25 |
| Arizona | $20,808 | $20,383 | 2.1% | 49 |
| Oregon | 20,303 | 19,637 | 3.4 | 20 |
| Wisconsin | 20,204 | 19,743 | 2.3 | 45 |
| Florida | 20,072 | 19,523 | 2.8 | 30 |
| W. Virginia | 19,789 | 19,341 | 2.3 | 44 |
| Louisiana | 19,750 | 19,330 | 2.2 | 46 |
| Tennessee | 19,712 | 19,209 | 2.6 | 35 |
| Alabama | 19,593 | 19,003 | 3.1 | 24 |
| Oklahoma | 19,530 | 19,098 | 2.3 | 40 |
| Vermont | 19,497 | 18,640 | 4.6 | 8 |
| Kansas | 19,474 | 19,030 | 2.3 | 42 |
| Utah | 19,362 | 18,910 | 2.4 | 38 |
| N. Carolina | 19,320 | 18,636 | 3.7 | 18 |
| Wyoming | 19,230 | 19,097 | .7 | 51 |
| Maine | 19,202 | 18,347 | 4.7 | 6 |
| Kentucky | 19,001 | 18,545 | 2.5 | 36 |
| S. Carolina | 18,797 | 18,009 | 4.4 | 10 |
| New Mexico | 18,667 | 18,259 | 2.2 | 48 |
| Iowa | 18,420 | 17,928 | 2.7 | 32 |
| Idaho | 18,146 | 17,648 | 2.8 | 29 |
| Nebraska | 17,894 | 17,190 | 2.9 | 27 |
| Arkansas | 17,418 | 17,023 | 2.3 | 41 |
| Montana | 17,224 | 16,957 | 1.6 | 50 |
| Mississippi | 17,047 | 16,522 | 3.2 | 22 |
| North Dakota | 16,932 | 16,508 | 2.6 | 33 |
| South Dakota | 15,810 | 15,424 | 2.5 | 37 |

**Notes:**

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. State government data for certain Michigan agencies were estimated for the third and fourth quarters of 1989 and will be revised along with the national average.

*Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990*

as industry leader, with average annual pay of $35,787. As is also the norm, the lowest average annual pay was in retail trade ($12,283), which employs a large proportion of part-time workers.

Within private industry, mining had the largest increase in average annual pay, 4.2 percent, followed by services (3.9 percent), construction (3.2 percent), and manufacturing (3.1 per-

cent). The smallest percentage increase, 2.2 percent, was in FIRE.

Among metropolitan-areas, Bridgeport-Stamford-Norwalk-Danbury, Conn. led the nation with an average annual pay level of $32,021. New York City had the second highest average ($31,621), followed by San Jose, Calif. ($30,656), and Anchorage, Alaska ($29,973).

Augusta, Ga.-S.C., led in percentage growth with an increase of 7.1 percent. Eight metropolitan areas had declining pay rates from 1988 to 1989, with Kenosha, Wis., experiencing the largest decrease, 7.3 percent.

BLS data on average annual pay are compiled from federal and state UI payroll reports submitted by employers on 107 million full- and part-time workers, which make up 91 percent of the total work force.[2] Included in pay totals are bonuses, cash value of meals and lodging, tips and other gratuities, and employer contributions to certain deferred-compensation plans.

Major exclusions from these data include: most agricultural workers on small farms; all members of the military; most elected officials, railroad employees, domestic workers, and student workers at schools; employees of certain small, non-profit organizations; self-employed individuals; and all unpaid members of a family business.

*—U.S. Department of Labor, Bureau of Labor Statistics; and DES, Research Administration*

**Table 1. United States vs. Arizona Average Annual Pay, by Industry, for 1988 and 1989 and Percent Change[1]**

| | Average Annual Pay 1989[2] | 1988 | Pct. Change 1988-89[3] |
|---|---|---|---|
| **United States** | | | |
| Private Industry[4] | $22,268 | $21,650 | 2.9% |
| Mining | 35,787 | 34,341 | 4.2 |
| Construction | 25,213 | 24,433 | 3.2 |
| Manufacturing | 27,749 | 26,916 | 3.1 |
| Transportation, Communications, and Public Utilities | 28,912 | 28,206 | 2.5 |
| Wholesale Trade | 28,634 | 27,843 | 2.8 |
| Retail Trade | 12,283 | 11,965 | 2.7 |
| Finance, Insurance, and Real Estate | 28,303 | 27,691 | 2.2 |
| Services | 20,764 | 19,984 | 3.9 |
| Government[5] | 24,116 | 23,024 | 4.7 |
| **Arizona** | | | |
| Private Industry[4] | $19,858 | $20,242 | 1.9 |
| Mining | 34,027 | 35,890 | -5.2 |
| Construction | 21,603 | 21,175 | 2.0 |
| Manufacturing | 28,404 | 27,441 | 3.5 |
| Transportation, Communications, and Public Utilities | 27,082 | 26,288 | 3.0 |
| Wholesale Trade | 25,660 | 24,642 | 4.1 |
| Retail Trade | 12,228 | 12,058 | 1.4 |
| Finance, Insurance, and Real Estate | 24,701 | 24,249 | 1.9 |
| Services | 18,988 | 18,516 | 2.5 |
| Government[5] | 23,602 | 23,022 | 2.5 |

**Notes:**

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. Includes data for industries in addition to those shown separately.
5. State government data for certain Michigan agencies were estimated for the third and fourth quarters of 1989 and will be revised along with the national average.

*Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990*

**Footnotes:**

1. Metropolitan areas are defined as either metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs). An MSA is a city that has at least a population of 50,000 within its corporate limits, or contains a U.S. Bureau of Census-defined "urbanized area" of at least 50,000 in population and has a total population of at least 100,000. A PMSA is an area within an MSA that either was recognized as a separate Standard Metropolitan Statistical Area (SMSA) as of January 1, 1980, or which has a population of 100,000 with at least 60 percent of the population urban and less than 50 percent of the resident workers commuting to jobs outside the area.

2. Data on average annual pay are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance legislation. The summaries are a by-product of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

# Arizona Income Up 7.6% in '89; DIR Provides Push

Arizona's total personal income grew 7.6 percent in 1989, to $56.2 billion, according to preliminary data released in August by the U.S. Commerce Department's Bureau of Economic Analysis (BEA). The state's personal income growth was slightly higher than in 1988 (7.1 percent), but far below double-digit levels experienced between 1983 to 1985 when the state ranked near the top in the nation.

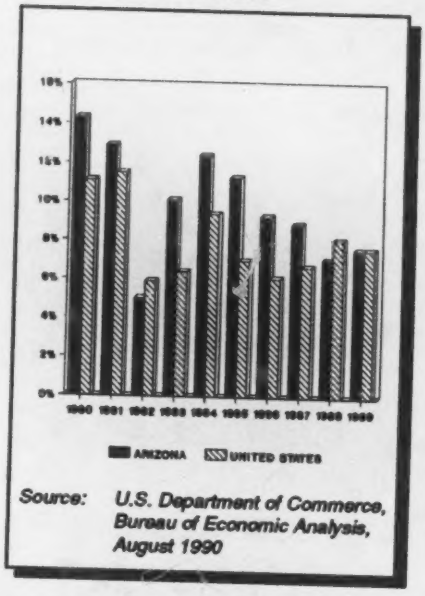
Total personal income includes: earnings by place of work[1] less personal contributions for social insurance and adjustments for residency; dividends, interest, and rent (DIR); and transfer payments .

Arizona's per-capita personal income, meanwhile, grew only 5.4 percent last year, giving the state the fourth-lowest growth rate in the country, tied with California. Per-capita personal income — total personal income of all residents divided by the state's population — rose from $14,148 in '88 to $15,802 in '89. Overall, Arizona's per-capital personal income ranks 29 in the nation and well below the national average of $17,596.

Growth in Arizona's personal income was hampered by sluggish manufacturing and construction sectors. High in-migration accounted for the even slower growth in per-capita personal income. The state had only a 5.0 percent growth rate in wages and salaries — "a low rate for a fast-growing state," says a BEA economist — that was nearly one percent behind the U.S. rate of 5.8 percent.

Of note in Arizona's 1989 personal income figures was the change in the mix of the three major components of personal income — net earnings by

**Figure 1. Arizona vs. U.S. Personal Income Growth Rates, 1980-1989**




*Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1990*

place of residence[2]; dividends, interest and rent (DIR); and transfer payments.

Whereas between 1985 and 1988 net earnings by place of residence made up between 67.1 and 67.3 percent of total personal income in Arizona, in 1989 this category's share dropped to 65.3 percent. DIR, which had ranged between 17.8 and 18.3 percent of total personal income in those years, increased its share to 19.3 percent last year; and transfer payments, with ranges between 14.6 percent and 15.0 percent, made up 15.4 percent of personal income.

The percentage drop-off by net earnings by place of residence was due to sluggish growth of 4.4 percent in '89 — about half its average increase of 10.5 percent from '85 to '88. DIR, however, took up the slack by growing 17.2 percent — about double its average increase the previous four years. Transfer payments' growth rate of 10.3 percent was normal for the same time frame.

Rapid growth in DIR, which is still subject to major revision, can be accounted for by a more than one percent increase in short-term interest rates and a 12.3 percent increase in corporate dividends in 1989. However, net earnings by place of residence, which isn't likely to see much revision, dropped sharply despite the fact that Arizona's wage and salary employment grew faster in '89 (2.7 percent) than in '88 (2.4 percent). (Income from wage and salary employment makes up 80 percent of net earnings by place of residence.)

Two possible explanations for this phenomenon are that more of the jobs being created are part-time positions, and that a large percentage of newly created full-time jobs are paying relatively low wages.

The latter can be confirmed by looking at an industry breakdown of Arizona's personal income. By far, the largest growth in personal income in '89 was in the service-producing sector, which tends to pay workers less than the goods-producing sector.

Major industry groups in Arizona that showed significant personal income growth last year were: services (10.0 percent); wholesale trade (7.8 percent); transportation, communications, and public utilities (6.5 percent); and government (6.5 percent). Groups that had slow or negative personal income growth were: manufacturing (3.7 percent), construction (0.0 percent) and mining (-1.0 percent).

*—Brent Vine*
*Arizona LMI Newsletter Editor*

**Footnotes:**

1. Earnings by place of work = wages and salaries, other labor income, and farm and non-farm proprietorship income.

2. Net earnings by place of residence = earnings by place of work, less personal contributions for social insurance, plus an adjustment for residency.

# New Voc Ed Law Puts Emphasis on Needy Students

In late September, President Bush signed into law a revamped vocational education law that broadly expands voc ed training with an emphasis on high-tech programs; puts more emphasis on vocational education in schools, in particular needy students; and focuses on disadvantaged groups such as the poor, handicapped, displaced homemakers, and prison inmates.

At the same time, the Carl D. Perkins Vocational/Applied Technology Education Act slightly increases funding for voc ed programs (although it could be downsized by the current budget crisis), but decreases the percentage of state administrative funding — from 7 to 5 percent — that is primarily used for training workshops. The workshops are "key to implementing new programs, particularly in high-tech areas," says Madelyn Hemmings, a national voc ed official who was quoted in *Vocational Training News*, a weekly report on voc ed training and education.

The Perkins' law, which reauthorizes voc ed funding for five years, also only gives educators in each state a short window — May 1, 1991 — to prepare plans for implementing the new law. (Most voc ed officials had expected two years to prepare for the new legislation.) But on whole, most educators are pleased with the direction and emphasis of the new legislation, *Vocational Training News* says in its Sept 27 issue.

Provisions of the new Perkins' law include:

- Increasing annual funding from $950 million to $1.6 billion, (although this amount is expected to be reduced to about $1 billion because of budget cuts), of which 85 percent is authorized for state grants.

- Radically changing the in-state funding formula, giving more local control by *requiring* 75 percent of grants go to school districts and postsecondary institutions. Of this amount, 70 percent must be awarded to school districts based on their number of students eligible for Chapter 1 services for economically disadvantaged children. (Previously, only 22 percent of all state funding was set aside for special-needs students.)

- Reducing from 43 percent to 8.5 percent funding for state set-aside program improvements (i.e., pilot programs), while maintaining about the same percentage of funding for other disadvantaged areas — displaced-homemakers and single-parents (7 percent); sex-equity for females, ages 14 to 25 (3 percent); and prisons (1 percent).

- Requiring state plans to emphasize a broad student understanding of technology and demonstration of problem-solving skills, and provide access and high-quality service to the poor, handicapped, and limited-English proficient students. The new law also mandates that students be taught about occupations and local industry, and requires the state plan to take into consideration regional labor needs.

- Allocating additional federal funding for equipment and voc ed improvements in economically distressed areas, setting up apprenticeship training and developing industry-competency standards, and establishing an electronic network to provide data and technical assistance to states and local areas.

- Giving additional funds for the National Occupational Information Coordinating Committee (NOICC) for career counseling and tracking voc ed student's wages by geographic region. (This state's NOICC counterpart, the Arizona Occupational Information Coordinating Committee (ASOICC), currently provides occupational and career information on a microcomputer data base (MICRO OIS) to more than 100 high schools, most community colleges, and other educational and job-development facilities throughout the state.)

- Mandating in-prison programs that stress applied academics for juveniles and adults, and establishing an Office of Correctional Education within the U.S. Depart-

*(Continued on page 12)*

**Table 1. Key Provisions of New Voc Ed Legislation**

- ✓ Changes in-state funding formula to give more control to local school districts
- ✓ Requires that 70 percent of school funding be directed toward special-needs students
- ✓ Reduces from 43 percent to 8.5 percent funding for state set-aside programs
- ✓ Gives additional funding for career counseling
- ✓ Mandates in-prison programs that stress applied academics for juveniles and adults

# The Arizona Labor Force in August

Arizona's seasonally adjusted unemployment rate dipped two-tenths of a percent to 5.2 percent in August.

The drop was a result of two factors. One, the number of unemployed decreased 6.1 percent to 97,700, a fairly normal occurrence in the fall because of transitory employment in schools. Secondly, total employment increased a nominal 1,800. The net effect of these two events was a decrease of 4,600, to 1,725,000, in the total civilian labor force.

The unemployment rate for the nation in August increased from 5.5 percent to 5.6 percent, while Maricopa County's unemployment rate decreased to 4.2 percent and Pima County's rate increased to 4.3 percent.

Arizona's total wage and salary employment increased 5,700, to 1,474,600, last month. Although this increase was 600 less than the post-recession average, wage and salary employment is still up a fairly robust 3.7 percent over August 1989.

Government employment was the major contributor to the overall gain, with a surprising construction sector also posting healthy job increases. And with the exception of services and manufacturing, all industries experienced employment gains in August — all in all, a fairly normal month.

Government increased 3,400 jobs in August and has expanded 5.4 percent over August 1989. School employment surged as teachers and support personnel went back to work for the fall semester.

Although construction gained 1,000 jobs last month — only 100 less than the normal August gain — this sector's employment is still 2.3 percent below a year ago's levels. When compared with the losses experienced in construction the previous three years, however, it is obvious that the rate of decrease has slowed substantially.

Employment in mining increased 500 in August, a substantial gain. However, the jump is a result of striking miners returning to work, not actual hiring. Since August 1989, mining employment has increased 4.1 percent.

Trade employment, which increased a seasonal normal 600 last month, is up 3.5 percent over last year. Department and automotive stores experienced normal gains for the month, while food stores and eating and drinking places had seasonal declines.

Finance, insurance, and real estate (FIRE) added 600 jobs in August, 100 above the normal increase for the past eight Augusts. However, FIRE employment is up only 2.7 percent over August 1989.

Transportation, communications, and public utilities (TCPU) gained 200 jobs in a month where employment normally declines. TCPU employment has expanded 4.4 percent since last August. But over the next few months, the much publicized layoffs at Arizona Public Service Co. may dampen this sector's growth rate.

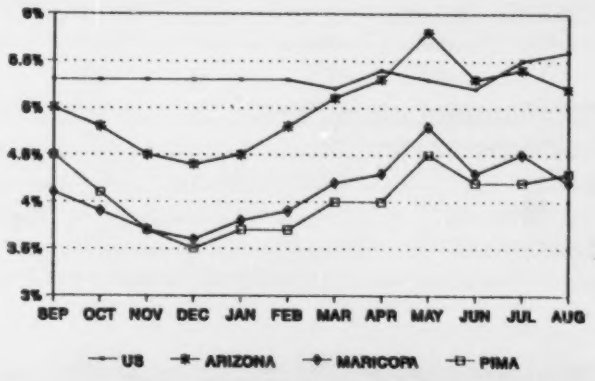
Manufacturing employment again remained stagnant. A shift of 300 jobs from durable goods to non-durable goods left this industry unchanged for the month. Overall, manufacturing employment is up 0.6 percent over last August.

Finally, services employment declined by 600, twice the normal August decrease. All subindustries — hotels and motels, business services, health services, and "other services" — lost employment. However, services has expanded a healthy 6.1 percent since August 1989.

All in all, Arizona's economy held to the earlier track forecast. Except for expected seasonal losses, employment continued to expand at moderate rates.

*—Marc A. Marra*
*RA Economist*

**Figure 1. U.S., Arizona, and Maricopa and Pima Counties Unemployment Rates, September 1989-August 1990**




*Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration*

# Arizona Labor Force and Employment
## October 1990 (In Thousands)

| | ARIZONA | | | | | MARICOPA COUNTY | | | | | PIMA COUNTY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep.* 1990 | Aug. 1990 | Sep. 1989 | Amount Aug. - Sep. | Change 1989 - 1990 | Sep.* 1990 | Aug 1990 | Sep. 1989 | Amount Aug. - Sep. | Change 1989 - 1990 | Sep.* 1990 | Aug. 1990 | Sep. 1989 | Amount Aug. - Sep. | Change 1989 - 1990 |
| **TOTAL CIVILIAN LABOR FORCE**** | 1747.2 | 1725.7 | 1698.5 | +21.5 | +48.7 | 1079.3 | 1073.0 | 1052.8 | +6.3 | +26.5 | 317.4 | 313.6 | 314.5 | +3.8 | +2.9 |
| Total Unemployment | 89.2 | 97.3 | 88.7 | -8.1 | +0.5 | 43.6 | 46.8 | 45.6 | -3.2 | -2.0 | 12.3 | 12.8 | 15.0 | -0.5 | -2.7 |
| Rate | 5.1 | 5.6 | 5.2 | — | — | 4.0 | 4.4 | 4.3 | — | — | 3.9 | 4.1 | 4.8 | — | — |
| Rate (Sea. Adj.)*** | 4.9 | 5.2 | 5.0 | — | — | 3.8 | 4.2 | 4.1 | — | — | 3.7 | 4.0 | 4.5 | — | — |
| Total Employment | 1658.0 | 1628.4 | 1609.8 | +29.6 | +48.2 | 1035.7 | 1026.2 | 1007.2 | +9.5 | +28.5 | 305.1 | 300.8 | 299.5 | +4.3 | +5.6 |

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

### NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **TOTAL WAGE AND SALARY** | 1510.1 | 1477.1 | 1461.9 | +33.0 | +48.2 | 994.9 | 977.1 | 962.0 | +17.8 | +32.9 | 255.5 | 249.6 | 249.6 | +5.9 | +5.9 |
| **Manufacturing** | 188.1 | 188.8 | 188.0 | -0.7 | +0.1 | 139.1 | 139.3 | 139.8 | -0.2 | -0.7 | 27.0 | 27.1 | 27.2 | -0.1 | -0.2 |
| Durable Goods | 141.8 | 142.8 | 142.4 | -1.0 | -0.6 | 106.4 | 106.8 | 107.1 | -0.4 | -0.7 | 21.4 | 21.5 | 21.8 | -0.1 | -0.4 |
| Stone, Clay, and Glass | 7.3 | 7.4 | 7.6 | -0.1 | -0.3 | 4.4 | 4.5 | 4.7 | -0.1 | -0.3 | | | | | |
| Primary and Fabricated Metals | 15.6 | 15.7 | 15.6 | -0.1 | 0.0 | 10.5 | 10.5 | 10.6 | 0.0 | -0.1 | | | | | |
| Primary Metals | 7.8 | 7.8 | 7.6 | 0.0 | +0.2 | | | | | | | | | | |
| Fabricated Metals | 7.8 | 7.9 | 8.0 | -0.1 | -0.2 | | | | | | | | | | |
| Machinery | 58.0 | 58.4 | 59.8 | -0.4 | -1.8 | 47.5 | 47.9 | 49.4 | -0.4 | -1.9 | | | | | |
| Aircraft and Missiles | 27.6 | 27.5 | 26.1 | +0.1 | +1.5 | | | | | | | | | | |
| Lumber and Wood Products (Excluding Furniture) | 7.8 | 8.0 | 7.6 | -0.2 | +0.2 | | | | | | | | | | |
| Nondurable Goods | 46.3 | 46.0 | 45.6 | +0.3 | +0.7 | 32.7 | 32.5 | 32.7 | +0.2 | 0.0 | 5.6 | 5.6 | 5.4 | 0.0 | +0.2 |
| Food and Kindred Products | 10.5 | 10.4 | 9.8 | +0.1 | +0.7 | 6.9 | 6.9 | 6.4 | 0.0 | +0.5 | | | | | |
| Printing and Publishing | 16.9 | 16.8 | 16.5 | +0.1 | +0.4 | 12.2 | 12.0 | 11.9 | +0.2 | +0.3 | | | | | |
| **Mining and Quarrying** | 12.8 | 12.9 | 12.3 | -0.1 | +0.5 | 0.9 | 0.9 | 1.0 | 0.0 | -0.1 | 2.3 | 2.2 | 2.1 | +0.1 | +0.2 |
| Copper Mining | 9.8 | 9.9 | 9.4 | -0.1 | +0.4 | | | | | | | | | | |
| **Construction** | 85.1 | 85.7 | 87.9 | -0.6 | -2.8 | 56.7 | 57.0 | 58.6 | -0.3 | -1.9 | 14.7 | 14.8 | 15.2 | -0.1 | -0.5 |
| **Trans., Communications, & Public Utilities** | 80.8 | 80.8 | 76.9 | 0.0 | +3.9 | 57.2 | 56.9 | 53.7 | +0.3 | +3.5 | 9.7 | 9.7 | 9.6 | 0.0 | +0.1 |
| Transportation | 45.5 | 45.3 | 41.7 | +0.2 | +3.8 | 34.3 | 33.9 | 31.0 | +0.4 | +3.3 | 5.0 | 5.0 | 4.9 | 0.0 | +0.1 |
| Communications and Public Utilities | 35.3 | 35.5 | 35.2 | -0.2 | +0.1 | 22.9 | 23.0 | 22.7 | -0.1 | +0.2 | 4.7 | 4.7 | 4.7 | 0.0 | 0.0 |
| **Trade** | 376.0 | 372.7 | 364.0 | +3.3 | +12.0 | 253.3 | 250.8 | 244.0 | +2.5 | +9.3 | 59.5 | 58.8 | 58.8 | +0.7 | +0.7 |
| Wholesale Trade | 78.1 | 77.3 | 73.9 | +0.8 | +4.2 | 62.7 | 62.1 | 59.2 | +0.6 | +3.5 | 7.8 | 7.7 | 7.8 | +0.1 | 0.0 |
| Retail Trade | 297.9 | 295.4 | 290.1 | +2.5 | +7.8 | 190.6 | 188.7 | 184.8 | +1.9 | +5.8 | 51.7 | 51.1 | 51.0 | +0.6 | +0.7 |
| General Merchandise and Apparel | 45.9 | 45.5 | 43.9 | +0.4 | +2.0 | 28.8 | 28.5 | 27.5 | +0.3 | +1.3 | 6.9 | 6.9 | 6.7 | 0.0 | +0.2 |
| Food Stores | 48.6 | 47.8 | 48.8 | +0.8 | -0.2 | 31.2 | 30.5 | 31.1 | +0.7 | +0.1 | 7.8 | 7.8 | 8.1 | 0.0 | -0.3 |
| Automotive and Service Stations | 36.4 | 36.6 | 35.6 | -0.2 | +0.8 | 23.1 | 23.3 | 22.6 | -0.2 | +0.5 | 5.8 | 5.8 | 5.8 | 0.0 | 0.0 |
| Eating and Drinking Places | 105.5 | 104.3 | 102.2 | +1.2 | +3.3 | 66.7 | 65.8 | 64.3 | +0.9 | +2.4 | 19.7 | 19.3 | 19.2 | +0.4 | +0.5 |
| **Finance, Insurance, and Real Estate** | 95.6 | 95.5 | 93.0 | +0.1 | +2.6 | 77.0 | 76.8 | 74.5 | +0.2 | +2.5 | 11.5 | 11.5 | 11.3 | 0.0 | +0.2 |
| **Services and Miscellaneous** | 409.1 | 406.8 | 388.8 | +2.3 | +20.3 | 275.8 | 273.9 | 261.6 | +1.9 | +14.2 | 74.7 | 74.1 | 71.6 | +0.6 | +3.1 |
| Hotels and Lodging Places | 45.4 | 44.9 | 41.9 | +0.5 | +3.5 | 28.0 | 27.4 | 25.1 | +0.6 | +2.9 | 6.4 | 6.4 | 6.0 | 0.0 | +0.4 |
| Business Services**** | 75.8 | 75.9 | 73.8 | -0.1 | +2.0 | 60.7 | 60.8 | 59.4 | -0.1 | +1.3 | 10.5 | 10.4 | 10.2 | +0.1 | +0.3 |
| Health Services | 101.7 | 101.3 | 96.4 | +0.4 | +5.3 | 65.9 | 65.6 | 62.6 | +0.3 | +3.3 | 22.0 | 21.9 | 20.9 | +0.1 | +1.1 |
| **Government** | 262.6 | 233.9 | 251.0 | +28.7 | +11.6 | 134.9 | 121.5 | 128.8 | +13.4 | +6.1 | 56.1 | 51.4 | 53.8 | +4.7 | +2.3 |
| Federal | 47.7 | 47.8 | 45.7 | -0.1 | +2.0 | | | | | | | | | | |

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends
**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Prepared by Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

## Nonmetropolitan Counties
## Labor Force and Employment
## August 1990

| | Apache | Cochise | Coco-nino | Gila | Graham | Green-lee | La Paz |
|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 13,175 | 37,200 | 46,500 | 13,100 | 8,350 | 2,925 | 6,075 |
| Total Unemployment | 2,475 | 2,100 | 3,150 | 1,125 | 550 | 200 | 450 |
| Rate | 18.8% | 5.6% | 6.8% | 8.6% | 6.6% | 6.8% | 7.4% |
| Rate (Seas. Adj.)** | 17.1% | 6.0% | 6.4% | 8.8% | 6.1% | 7.0% | 6.4% |
| Total Employment | 10,700 | 35,100 | 43,350 | 11,975 | 7,800 | 2,725 | 5,625 |
| THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS | | | | | | | |
| TOTAL WAGE AND SALARY | 13,875 | 26,225 | 42,950 | 11,425 | 4,975 | 2,875 | 3,775 |
| Manufacturing | 775 | 1,450 | 3,600 | 1,550 | 225 | 25 | 250 |
| Mining & Quarrying | 50 | 175 | 325 | 1,350 | 0 | 1,750 | 75 |
| Construction | 375 | 750 | 1,950 | 425 | 150 | 100 | 200 |
| T.C.P.U. | 1,975 | 1,875 | 2,825 | 450 | 150 | 50 | 125 |
| Trade | 1,975 | 5,825 | 10,400 | 2,725 | 1,375 | 250 | 1,250 |
| F.I.R.E. | 425 | 675 | 725 | 325 | 125 | 25 | 100 |
| Services & Misc. | 4,575 | 5,375 | 12,075 | 2,325 | 875 | 150 | 1,050 |
| Government | 3,725 | 10,100 | 11,050 | 2,275 | 2,075 | 525 | 725 |

| | Mohave | Navajo | Pinal | Santa Cruz | Yavapai | Yuma |
|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 38,650 | 27,425 | 38,400 | 12,325 | 41,375 | 53,350 |
| Total Unemployment | 2,050 | 3,400 | 3,000 | 2,400 | 1,875 | 15,625 |
| Rate | 5.3% | 12.4% | 7.8% | 19.5% | 4.5% | 29.3% |
| Rate (Seas. Adj.)** | 5.3% | 11.5% | 7.1% | 17.5% | 4.9% | 17.8% |
| Total Employment | 36,600 | 24,025 | 35,400 | 9,925 | 39,500 | 37,725 |
| THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS | | | | | | |
| TOTAL WAGE AND SALARY | 27,100 | 21,700 | 28,200 | 10,450 | 28,300 | 27,800 |
| Manufacturing | 2,550 | 2,100 | 3,900 | 1,000 | 2,250 | 2,700 |
| Mining & Quarrying | 50 | 1,200 | 3,750 | 0 | 900 | 75 |
| Construction | 3,350 | 1,450 | 550 | 375 | 2,825 | 1,475 |
| T.C.P.U. | 1,200 | 1,675 | 1,075 | 700 | 1,125 | 900 |
| Trade | 8,600 | 4,600 | 5,875 | 4,400 | 7,925 | 8,000 |
| F.I.R.E. | 1,250 | 450 | 875 | 300 | 975 | 925 |
| Services & Misc. | 6,350 | 5,875 | 4,600 | 1,900 | 7,250 | 6,625 |
| Government | 3,750 | 4,350 | 7,575 | 1,775 | 5,050 | 7,100 |

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

## Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 |
| Manufacturing | 415.27 | 416.52 | 408.59 | 40.2 | 40.4 | 40.9 | 10.33 | 10.31 | 9.99 |
| Aircraft & Missiles | 647.52 | 662.16 | 614.14 | 45.6 | 46.5 | 44.6 | 14.20 | 14.24 | 13.77 |
| Food & Kindred Prod. | 352.04 | 358.70 | 350.24 | 39.6 | 39.9 | 41.4 | 8.89 | 8.99 | 8.46 |
| Primary Metals | 515.82 | 523.64 | 509.52 | 37.9 | 38.0 | 37.3 | 13.61 | 13.78 | 13.66 |
| Machinery | 362.70 | 351.22 | 395.81 | 37.2 | 36.7 | 39.7 | 9.75 | 9.57 | 9.97 |
| Copper Mining | 563.22 | 571.56 | 564.88 | 42.0 | 43.3 | 44.2 | 13.41 | 13.20 | 12.78 |
| Construction | 451.98 | 461.52 | 435.98 | 37.2 | 38.3 | 37.2 | 12.15 | 12.05 | 11.72 |
| Utilities | 711.75 | 699.20 | 710.77 | 43.8 | 43.7 | 44.9 | 16.25 | 16.00 | 15.83 |
| Retail Trade** | 262.35 | 264.47 | 255.53 | 33.0 | 33.1 | 33.8 | 7.95 | 7.99 | 7.56 |
| Wholesale Trade | 382.08 | 390.78 | 372.49 | 38.4 | 39.0 | 38.6 | 9.95 | 10.02 | 9.65 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 |
| Manufacturing | 431.90 | 447.49 | 425.99 | 40.9 | 41.9 | 41.0 | 10.56 | 10.68 | 10.39 |
| Construction | 461.90 | 469.68 | 455.04 | 37.1 | 38.0 | 37.7 | 12.45 | 12.36 | 12.07 |
| Retail Trade** | 275.22 | 274.23 | 268.49 | 33.4 | 33.2 | 33.9 | 8.24 | 8.26 | 7.92 |
| Wholesale Trade | 389.18 | 398.87 | 389.16 | 37.1 | 37.7 | 38.8 | 10.49 | 10.58 | 10.03 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 | Aug.* 1990 | July 1990 | Aug. 1989 |
| Manufacturing | 353.56 | 357.27 | 364.10 | 37.1 | 37.1 | 38.9 | 9.53 | 9.63 | 9.36 |
| Construction | 384.49 | 389.39 | 386.53 | 35.7 | 36.7 | 37.6 | 10.77 | 10.61 | 10.28 |
| Utilities | 650.36 | 641.49 | 599.68 | 42.9 | 41.9 | 41.3 | 15.16 | 15.31 | 14.52 |

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

## Arizona Labor Force and Employment for Economic Assistance Programs August 1990

| County | Civilian Labor Force | Employment | Unemployment | Rate |
|---|---|---|---|---|
| Statewide | 1,725,055 | 1,627,309 | 97,746 | 5.7% |
| Apache | 13,166 | 10,700 | 2,466 | 18.7 |
| Cochise | 37,196 | 35,088 | 2,108 | 5.7 |
| Coconino | 46,501 | 43,346 | 3,155 | 6.8 |
| Gila | 13,114 | 11,978 | 1,136 | 8.7 |
| Graham | 8,338 | 7,793 | 545 | 6.5 |
| Greenlee | 2,932 | 2,724 | 208 | 7.1 |
| La Paz | 6,077 | 5,630 | 447 | 7.4 |
| Maricopa | 1,072,746 | 1,026,282 | 46,464 | 4.3 |
| Mohave | 38,638 | 36,595 | 2,043 | 5.3 |
| Navajo | 27,438 | 24,026 | 3,412 | 12.4 |
| Pima | 313,472 | 300,586 | 12,886 | 4.1 |
| Pinal | 38,393 | 35,404 | 2,989 | 7.8 |
| Santa Cruz | 12,318 | 9,919 | 2,399 | 19.5 |
| Yavapai | 41,371 | 39,508 | 1,863 | 4.5 |
| Yuma | 53,356 | 37,730 | 15,626 | 29.3 |

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

*(Continued from page 6)*

ment of Education to coordinate prisoner programs. (One percent of Arizona's funding is currently being used for prison programs in Florence and Perryville.)

Barbara Border, Arizona Department of Education deputy superintendent and state director of Vocational/Technological Education, says it's clear the emphasis of the new Perkins' legislation is to keep special-needs populations in school and getting them prepared for the work force. Border, who points out that the Perkins' authors tailored the bill for students in large inner-city schools, says the legislation "has less to do with training and more to helping needy populations."

With the change in the law's direction, two possible fallouts in Arizona are that a small percentage of students may benefit from funding — because of Chapter 1 requirements — and there may be insufficient funding for new Perkins' programs, Border says. More will be known after state officials attend national meetings in the coming months.

At the same time, the state Legislature's passage of a voc ed bill earlier this year may cushion some of Perkins' effects. In addition to creating a new State Board of Technological Education, the law appropriated $2 million for pilot programs and training for local education agencies, and requires an integrated plan for statewide vocational/technological education that would include a proposal to tax employers for funding voc ed programs.

*—DES, Research Administration*

**Footnotes:**

1. Chapter 1 of Title 1 of the Elementary and Secondary Education Act of 1965.

# IRCA Task Force Calls for More Probes of Hiring Bias

*Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.*

A special administration task force recommended in late September that the Justice Department be given additional power and funding to investigate discrimination complaints caused by employer sanctions provisions of the Immigration Reform and Control Act of 1986 (IRCA), according to an article in the October 4 issue of *Immigration Policy & Law*.

The task force, however, resisted calls by ethnic and civil rights groups to repeal IRCA's controversial employer sanctions, which a General Accounting Office (GAO) report released in March said led to a "widespread patterns of discrimination." (See "Reports Give Employer Sanctions Mixed Reviews," *Arizona LMI Newsletter*, June 1990)

IRCA made it illegal for employers to hire illegal aliens, but also prohibited businesses from discriminating against job seekers because they may appear or sound foreign. The immigration law set up an Office of Special Council under the Justice Department to investigate discrimination complaints and left open the door for Congress to repeal employer sanctions if a GAO study determined they caused discrimination.

The task force, which also recommended that the U.S. Department of Labor (DOL) increase its role in enforcement of employer sanctions — balancing the function of the U.S. Immigration and Naturalization Service — did not take a stand for keeping or removing employer sanctions. Among recommendations it made were:

- Making penalties for discrimination equal to those for hiring illegal aliens.
- Reducing the number of documents required to verify a worker's identity and employment eligibility.
- Tightening requirements for attorney's fees on discrimination complaints, in order to cut down on the number of frivolous complaints by disgruntled employees or job applicants.

### *DOT* Could Receive Revisions

According to an Aug. 10 notice in the *Federal Register*, the DOL is considering revising its *Dictionary of Occupational Titles (DOT)*, which has not been updated since 1977. Published since 1939, *DOT* defines and classifies nearly 13,000 occupations and is used by a wide variety of public and private officials in career counseling, personnel management, and employment placement.

# NEWS IN BRIEF

A Labor Department advisory committee, made up of representatives from government, vocational training, education, and members of the private sector, will study proposed revisions and make recommendations for an updated publication.

Additional information on this subject is available by writing: Robert Schaerfl, director of the Labor Department's Employment and Training Administration, 200 Constitution Ave. N.W., Room N-4470, Washington D.C. 20210; or calling (202) 535-0167.

### Businesses Cut Off Labor Shortages at Pass

While DOL's Bureau of Labor Statistics is currently conducting a pilot study to determine ways to identify labor shortages before they occur, a Portland, Ore. hospital and the state of Nebraska are implementing ideas that appear to be keeping potential shortages at arm's length.

According to an article in *Employment & Training Reporter*, Good Samaritan Hospital has instituted several procedures to cut down on possible nursing shortages. These include: hiring an R.N., instead of a human resources person, to recruit nurses; creating a training program for specialties, such as critical care; cross-training workers so that when there is a shortage in one area, another person can fill in, alleviating overtime and burnout; allowing nurses to provide more input into decision-making; and reimbursing nurses for certification costs.

Good Samaritan, which employs 800 nurses out of its work force of 2,600, has a less than 1 percent vacancy rate for nurses when 10.6 percent is the national average.

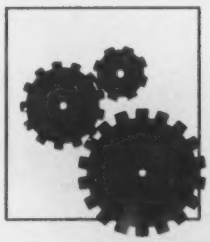
Nebraska, which has the lowest unemployment rate in the country (2.2 percent in July), decided to prepare for possible labor shortages by holding a conference for state Employment Security (ES) and business officials. Out of the meeting focus groups were held at Employment Service (ES) offices. From those discussions came 1,300 proposals, which were narrowed down to 90 specific ideas that DOL, educators, ES offices, communities, and businesses could use to hold off expected labor shortages.

Among the suggestions were: forgiving student loans of workers in needed occupations; finding ways to convince Nebraska high school graduates to stay in-state; becoming more sensitive to the needs of minorities in the community and workplace; and providing tours of companies.

# New Developments

*"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.*

MANUFACTURING — By early September, **Lockheed Aeromod Center Inc.** had received about 1,500 unsolicited applications for positions at its planned **235,000-square-foot aircraft maintenance and modification facility** near Tucson International Airport. Lockheed, which will officially take applications in October, expects to initially employ about 185 workers and possibly 1,000 within three years. The company's major needs will include sheet-metal, air-frame, and power-plant mechanics, along with avionics workers.



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Employment at **Honeywell Inc's. Satellite Systems Operations** in Glendale has gone up more than one-third since January — increasing from 400 to 1,100 — and should expand by 40 to 50 more positions before the year ends. Fueling Honeywell's job additions is work on National Aeronautics and Space Administration contracts, particularly the Space Station Freedom.

CONSTRUCTION — Phoenix developer Evans Withycombe Inc. has begun construction on **Scottsdale Horizon, a 276-acre master-planned community** in north Scottsdale that will feature apartments, multi-family housing, and single-family units. The $150 million development, located between 94th Street and the Central Arizona Project canal just north of Thunderbird Road, will provide a disproportionate number of apartments, townhomes and condominiums to handle the demand by workers at the nearby Scottsdale Airpark, Mayo Clinic Scottsdale, and Scottsdale Princess hotel.

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**Giant Industries Inc.** has begun work on **125,000-square-foot, Safeway-anchored shopping center** in north Scottsdale. A 13,000-square-foot drug store, a fast-food restaurant, a bank and other smaller shops are planned for the retail center next to Giant's new headquarters at Pinnacle Peak and Scottsdale roads.

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TRADE — Los Angeles-based **Smart & Final**, which operates a national chain of warehouse grocery stores, was expected to open **three outlets in the Phoenix metropolitan area** in October. Smart & Final, which deals primarily with food-service companies, restaurants, and small businesses, opened a store in Bullhead City in July. The Phoenix locations are at 2742 E. Indian School Road and 7750 N. 35th Ave., while the Scottsdale store is at 2441 N. Scottsdale Road. No details on employment were made available.

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As many as 1,000 jobs may be created in the Valley if **Dillard Department Stores Inc.** follows through on tentative plans to move its national credit-card operation to Arizona. In September, the Little Rock, Ark.-based retailer took the initial step in bringing a credit-card center to Phoenix when it filed papers to set up special-purpose bank at a Dillard store in MetroCenter, where the operation would be run.

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Los Angeles-based **RB Furniture** says it plans to open a **regional warehouse and two additional stores** in Phoenix. RB says it has leased a 128,000-square-foot facility at 229 S. 49th Ave. that will initially employ 50 people to service its Arizona outlets and one Albuquerque store. Locations and times for opening the two new outlets were not announced.

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Talk about flooding the market. Since January, Chandler entrepreneur Chuck Harris has opened **16 Water 'n Ice stores** in shopping centers throughout the Phoenix metropolitan area. The retail outlets, which average 1,000 to 1,200 square feet and feature equipment that can process about 1,500 gallons of water a day, offer purified water, ice, and soft drinks. Harris has expanded his chain of stores to California — he eventually wants to have 200 outlets — and believes public concern about drinking water will lead to that growth.

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**Jack in the Box** opened **five fast-food restaurants** in Arizonan — four in the Phoenix area — in late September, bringing to 75 the number of locations in the Valley. Three of the new Jack in the Box stores are in Phoenix — 1902 W. Buckeye Road, 2010 E. Thunderbird Road, and 1001 N. 24th St; one in Tempe — 901 E. Curry Road; and one in Cottonwood.

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**Fast Foto Inc.**, a Phoenix-based, photo-developing company

has **filed for protection** under Chapter 11 of the federal bankruptcy code, but does not expect a major shutdown of its 101 stores in four states, including 68 in Arizona. Fast Foto, which has about 300 employees, says it expanded too rapidly and needs to reorganize in order to pay off its creditors.

SERVICES—Samaritan Health Services expects to increase profits at Good Samaritan Regional Medical Center by **eliminating 250 positions** — 85 full-time and 97 part-time — leaving the facility with about 2,900 employees. Samaritan, which recently reduced its corporate staff 24 percent (766 employees), is expected to announce the move in October. Arizona's largest hospital provider, Samaritan says filled and unfilled positions in management and support personnel will be affected.

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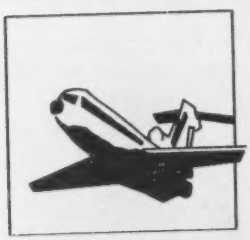
A fallout in the real estate and savings and loan industries has caused about a **20 percent drop in employment** in the past year by the Valley's **"Big 6" accounting firms**. Not immune to the downsizing have been professional-level partners, who have been bought out or asked to take early retirement. An estimated 15 to 20 partners have been eliminated.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — The state's largest utility, **Arizona Public Service Co.** (APS), says it will **eliminate 1,125 positions** through layoffs, retirement and unfilled vacancies. The cutbacks, which represent about 20 percent of its current work force of about 5,000 (not including the Palo Verde Nuclear Generating Plant), are part of plans to reduce long-term capital expenditures in order to allow APS to lower requests for rate increases. APS, a subsidiary of Pinnacle West Corp., had reduced its labor force by 1,500 over the past two years.



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Reacting to APS's plans, **Salt River Project** says it will **cut capital spending $675 million** over the next five years in an effort to limit utility-rate increases to 2 percent a year. SRP, which has about 5,000 employees, says the cutbacks will lead to an undetermined number of layoffs and job eliminations.

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Two Phoenix-based airlines announced major expansion plans in early October. **America West Airlines** says it will buy $5 billion worth of the French-made Airbus aircraft over the next 15 years as it prepares to service numerous eastern U.S. cities. The purchase of 118 Airbus A-320s, along with the planned acquisition of the Pan Am Shuttle, will **create 7,000 new jobs** by the year 2000. Meanwhile, **Stateswest Airlines** plans to acquire four Boeing de Havilland Dash 8 aircraft for new routes in California. StatesWest, which operates as a feeder airline for USAir, says it expects to **add 1,000 employees** to its current work force of 178 within the next three years.

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**Southwest Airlines** is expected to **add 60 reservation agents** in the coming months, and other additional employees may be hired when the Dallas-based airline moves into Terminal 4 at Sky Harbor International Airport in November. With the new reservation agents, Southwest will have 365 workers in the Phoenix area.

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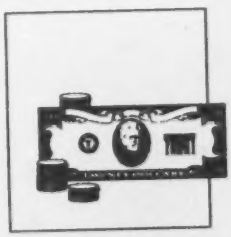
Tucson received some well-deserved, good news when **American Airlines** announced it is **bumping up — from 500 to 1,000** — the number of people it expects to employ at a reservations center its opening in May at the Airport Commerce Center. American says 300 workers will transfer from the Los Angeles area, where the reservations center is currently located, while the rest will be hired locally.

FINANCE, INSURANCE AND REAL ESTATE — **Bank of America Arizona**, a subsidiary of BankAmerica Corp. of San Francisco, quickly became the state's second largest financial institution when its $92 million offer to **take over Phoenix-based MeraBank** was accepted in September by the Resolution Trust Corp. Bank of America, which acquired the failed Western Savings and its 61 statewide branches in May, picked up MeraBank's 66 Arizona branches, bringing its total deposits in the state to $6.7 billion, second only to Valley National Bank's $9.3 billion. Employment of former MeraBank workers could be affected, but no details have been released.



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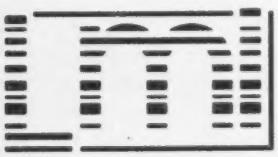

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